

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P. O. BOX 942850  
Sacramento, CA 94250-5878

DATE: October 19, 2006

PAYROLL LETTER # 06-022  
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: DON SCHEPPMANN, Chief  
Personnel/Payroll Services DivisionRE: **RANK AND FILE BARGAINING UNIT 18 COBEN BENEFIT ALLOWANCE REFUNDS**

Pursuant to the memorandum of understanding, the Department of Personnel Administration (DPA) has approved a retroactive Consolidated Benefits (CoBen) Benefit Allowance rate increase for rank and file employees in bargaining unit 18 effective with the July 2006 pay period. A retroactive CoBen Benefit Allowance refund is being issued to eligible employees during October 2006. The refund is being calculated on a month-by-month basis for the July 2006 and August 2006 pay periods. The new R18 2006 CoBen Benefit Allowance rates were updated to reflect the rate increase as of October 1, 2006 (September 2006 pay period).

#### REFUND CALCULATION

The gross monthly refund amount will be based on the difference between the old R18 CoBen Benefit Allowance rates and the new CoBen rates in effect as of October 1, 2006. Rates are calculated for each monthly health deduction, according to the employee's party rate code.

Party Rate Code	New CoBen Rate	Old CoBen Rate	Gross Monthly Refund Amount
1	\$346.00	\$327.00	\$19.00
2, 4, 7 or A	\$677.00	\$633.00	\$44.00
3, 5, 6, 8, 9 or B	\$887.00	\$824.00	\$63.00

#### MONTHLY ELIGIBILITY

To be eligible for a month's refund the employee must have been an R18 employee during the month and must have had a CoBen health deduction withheld. For example, if the employee was a newly hired R18 employee as of July 7, 2006 and received pay with CoBen health coverage at a party rate code of '2' for the July and August 2006 pay periods, she/he would qualify for two monthly refund amounts of \$44.00 for a total gross refund of \$88.00.

#### PAYMENT INFORMATION

After the monthly refund amounts are determined, they will be summarized into one total refund amount. A 354-050 Deduction/Organization code will be used to issue the summarized refund on a Payment Type 'P' credit issue warrant against the most current pay period being refunded.

This deduction will be identified on the employee's Statement of Earnings and Deductions/Direct Deposit Advice as '\*HEALTH ADJ'. Federal and state taxes will be withheld from the payment. Social Security and Medicare tax if applicable will also be withheld. The refunds will be issued during the fourth week of October 2006.

Questions regarding this payroll letter should be directed to Sandy Westlake at (916) 324-9008 or via email at [swestlake@sco.ca.gov](mailto:swestlake@sco.ca.gov).

DS:SW:PMAB